

INDIANA LEGISLATIVE LOBBYIST HANDBOOK

2016



INDIANA LOBBY REGISTRATION COMMISSION

INDIANA LOBBY REGISTRATION COMMISSION

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Indiana law requires certain persons seeking to influence the outcome of legislation before the Indiana General Assembly to register with the Indiana Lobby Registration Commission. A registered lobbyist must report on a semi-annual basis any expenditures associated with lobbying the legislature.

This handbook provides information about the registration and reporting requirements, as well as helpful instructions and comments about completing the appropriate forms. Please read the manual and familiarize yourself with the law. In the event of any inconsistency between this publication and the lobbying statutes, the statutory language governs.

The Indiana Lobby Registration Commission and its staff are ready to help you with any questions you may have about the lobbying law, completing forms, or comments on this handbook.

This publication is not intended to be offered as a substitute for advice from a lobbyist's own legal counsel.

A current list of registered lobbyists, as well as registration statements, activity reports, and the annual summary of lobbyist statements and reports, are available for public viewing at the Commission office or for purchase at the cost of duplication. This information also may be viewed at the Commission web site, which is <http://www.in.gov/ilrc/>

Sincerely,

INDIANA LOBBY REGISTRATION COMMISSION

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This handbook is intended to serve as a general reference to Indiana laws regarding lobbyist registration and financial reporting. Where important legal rights and obligations are involved, reference should be made to the statutes as found in IC 2-7 and IC 5-14-7 . The Commission recommends that lobbyists seek their own legal counsel.

REGISTRATION ISSUES AND ADDITIONAL GUIDANCE

What is the Issue? Some lobbyists are still struggling with the change in the registration year from a calendar year to a November 1 through October 31 fiscal year, which change took effect November 1, 2013. Under IC 2-7-2-2, registration statements for a new registration year are due on or before the first day of that year (November 1st) or within 15 business days after a new lobbying relationship is established. Thus, all lobbyists are strongly encouraged to determine which of their existing lobbying relationships will be in effect for a new registration year in ample time to meet the November 1st registration deadline.

Presumption of Need to Register. If a lobbying relationship has been in effect and the employer and compensated lobbyists involved in that relationship have not filed activity reports showing that the relationship has been terminated, staff will presume that the lobbying relationship is still in effect and that appropriate registration statements should be filed for the new registration year. Thus, a failure to so register on or before the November 1st registration deadline can result in the imposition of late fees under IC 2-7-2-2.

How to Avoid Such a Presumption. If there is a legitimate issue as to whether an existing lobbying relationship will continue for a new registration year, the lobbyists involved in that relationship should file appropriate activity reports before the start of the new registration year showing the termination of the relationship. If all the financial information for such an activity report is not available when the termination report is filed, the lobbyist can merely amend the termination report to add the financial information as soon as it is available. If the lobbyists subsequently determine that the lobbying relationship will be in effect at some point during the new registration year, they can file new registration statements or amend existing registration statements to document the existence of the relationship. As noted previously, the lobbyists will have 15 business days after the lobbying relationship is established to so file.

Questions for Staff. If you have any questions concerning the issues addressed on this page of the Lobbyist Handbook, please discuss them with the Commission staff well before the registration deadline if at all possible.

SUMMARY OF FILING DEADLINES

Registration:	November 1, or within 15 business days after becoming a lobbyist, whichever is later
Activity Reporting:	May 31st and November 30th
Lobbyist Gift or Purchase:	within 15 business days of making a gift or purchase
Amendment:	within 15 days after <u>ANY</u> information change
Termination:	within 15 days after lobbying activity ceases

OVERVIEW OF THE INDIANA LOBBYING LAW

WHO MUST FILE ?

A lobbyist is a person who "engages in lobbying" and who "in any registration year, receives or expends an aggregate of at least five hundred dollars (\$500) in compensation or expenditures reportable under this article (IC 2-7) for lobbying, whether the compensation or expenditure is solely for lobbying or the lobbying is incidental to that person's regular employment." IC 2-7-1-10.

IC 2-7-1-9 defines lobbying as communicating by any means, or paying others to communicate by any means, with any legislative person for the purpose of influencing any legislative action. Filing requirements apply to any lobbyist. Under IC 2-7-1-8, the term "legislative person" is defined as follows:

- Sec. 8. "Legislative person" means any of the following:
 - (1) A member.
 - (2) A candidate.
 - (3) An officer of the general assembly
 - (4) An employee of the legislative department of state government.
 - (5) A close relative of anyone described in subdivision (1), (2), (3), or (4). However, a lobbyist who is a close relative of a legislative person is not considered a legislative person.
 - (6) A paid consultant of the general assembly.
 - (7) An official of an agency of the legislative department of state government.

The term "member" refers to a member of the General Assembly, and the term "candidate" refers to a candidate for election to the General Assembly. The term "close relative", as defined in IC 2-2.2-1-3 and IC 2-7-1-1.7 includes an individual's parents, spouse, and children. Under the definition, a relative by adoption, half-blood, marriage or remarriage is considered as a relative of whole kinship.

Indiana requires separate registrations from employer lobbyists and compensated lobbyists:

- **Employer Lobbyist** - an organization, association, corporation, partnership, firm, or individual that compensates another to perform lobbying services on behalf of the employer lobbyist.
- **Compensated Lobbyist** - an individual, organization, association, corporation, partnership, or firm that receives compensation for lobbying services rendered on behalf of a client or an employer.

WHAT MUST BE FILED . . . AND WHEN?

- **Registration Statements** must be filed annually on or before November 1 or within fifteen (15) business days of becoming a lobbyist, whichever is later. The term of each registration is the same as the reporting year for which it is filed—November 1 of one year through October 31 of the following year. Employers and compensated lobbyists must register separately by filing the appropriate forms accompanied by the designated registration fee.
- **Activity Reports** must be filed semi-annually with the Commission by each registered lobbyist.
 - An employer must file one activity report semi-annually. However, if one is registered as both an employer lobbyist and a compensated lobbyist for a reporting year, the lobbyist is to report as a compensated lobbyist only. *See Appendix 4.*
 - A compensated lobbyist must file a separate activity report semi-annually for each employer or client from which the lobbyist receives compensation or payment for performing lobbying services.
- Under IC 2-7-3-3.3, a **Lobbyist Gift Report** must be filed within fifteen (15) business days of giving a gift, as defined in IC 2-7-1-4, to a legislative person. A copy of the report must be filed with the Commission and the legislative person. This requirement applies if the value of a gift or gifts that benefit a specific legislative person equal \$50 or more in one day or together total more than \$250 in a reporting year (*November 1 through October 31*).
 - Under IC 2-7-5-8, a lobbyist is prohibited from making a gift with a value of more than \$50 to a legislative person unless the lobbyist receives the legislative person's consent before the gift is made. However, this prohibition does not apply if the legislative person is a close relative of the lobbyist as defined in IC 2-7-1-1.7.
 - Neither IC 2-7-3-3.3 nor IC 2-7-5-8 is applicable if the gift is made to a "relative" as defined in IC 2-2.2-1-17 and IC 2-7-1-16.5.
- Under IC 2-7-3-7, a **Lobbyist Purchase Report** must be filed within fifteen (15) business days after making a purchase of goods or services from a member of the General Assembly, a candidate for election to the General Assembly, or such a member's or candidate's sole proprietorship or family business if the amount paid exceeds \$100. However, such a report is not required if the purchase is made in the ordinary course of business and at a price that is available to the general public. If a report is required, a copy of the report must be filed with the Commission and the member or candidate with respect to whom the purchase was made. The term "family business" is defined in IC 2-7-1-3.5.
- **Amendments of Information** must be filed within fifteen (15) days after a material change occurs in any information listed on a registration statement on file with the Commission
- A **Termination Notice** should be filed within fifteen (15) days after a lobbyist ceases the activity which required lobbyist registration. Each lobbyist who files a notice of termination is required to file an activity report covering the semi-annual reporting period, or portion thereof, that immediately precedes the termination. If you will not be registering for the next reporting year, you must file such a termination notice before the start of that reporting year. Failure to terminate could cause you to receive a "non-filer" letter.

How to File

- **Electronic filing.** Under IC 2-7-2-1 and IC 2-7-3-1, annual registration statements and semi-annual activity reports must be filed with the Commission electronically unless the lobbyist obtains a hardship exception under IC 2-7-2-1.5. It is the Commission's desire to keep paper filings to a minimum. Applications and instructions for e-filing are available on the Commission's website at www.in.gov/ilrc. Any document that is not filed electronically because the lobbyist either secured a hardship exception or an original signature is required, should be delivered to the Commission at the following address:

**Indiana Lobby Registration Commission
10 W. Market Street, Suite 2940
Indianapolis, Indiana, 46204**

- **Delivery through U.S. Postal Service.** A document for which e-filing is not required will be considered to have been filed on time if it is mailed in an envelope that is properly addressed, has sufficient postage, and is postmarked by the due date. If a document is sent by registered mail, the date of registration is considered the postmark date.
- **Private Delivery Service.** A document for which e-filing is not required that is delivered by a designated private delivery service will be considered to have been filed on time if the date that the private delivery service marks on the mailing label is on or before the due date for the document. For purposes of this delivery rule, the designated private delivery services are as follows:
 - **Federal Express (FedEx):** FedEx Priority Overnight, FedEx Standard Overnight, FedEx 2Day, FedEx International Priority, and FedEx International First.
 - **United Parcel Service (UPS):** UPS Next Day Air, UPS Next Day Air Saver, UPS 2nd Day Air, UPS 2nd Day Air A.M., UPS Worldwide Express Plus, and UPS Worldwide Express.
 - **DHL Express (DHL):** DHL Same Day Service, DHL Next Day 10:30 A.M., DHL Next Day 12:00 P.M., DHL Next Day 3:00 P.M., and DHL 2nd Day Service.
- **Hand Delivery** - A document for which e-filing is not required may be hand-delivered, Monday through Friday, during regular office hours - 8:30 AM - 4:30 PM. If you need copies to be file-stamped while you wait, you need to provide the copies, or the Commission can provide copies at its duplicating cost.
- **The Commission does not accept service by inter-office mail.**
- **Signature Requirements.** For an e-filed document, the document must bear the electronic signature of the person authorized to sign for the lobbyist on the Memorandum of Understanding (MOU) that is on file with the Commission. For all other documents, such as an MOU or a gift or purchase report filed on paper, only the original signature of an authorized person will be accepted, unless the document is an amendment to a properly filed document that bears an original signature. With the exception of such an amendment, the Commission does not accept service by fax, service by an attachment to an email, or copies that do not bear an original signature.

REGISTRATION FEES

A \$200 registration fee will be charged to each lobbyist for a registration statement. However, the registration fee is \$100 if the lobbyist is:

- a non-profit organization exempt from federal income taxation under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code; or
- an employee of such a non-profit organization, who performs lobbying services for the employer as part of the employee's responsibilities.

The method of payment will vary based on your account agreement on file with IN.Gov. You may select monthly invoices or provide a credit card to pay the registration fees.

RECORD KEEPING REQUIREMENTS

- **Preserve for four years** - Compensated and employer lobbyists are required to obtain and preserve documents that substantiate fully all activity reports filed with the Commission. These documents must be retained for a period of four years from the date that the report to which they relate is filed with the Commission.
- **Furnish upon request** - Substantiating documents must be made available to the Indiana Lobby Registration Commission upon request to verify activity reports.

ENFORCEMENT

- **Audits** - The General Assembly mandates the Commission to audit and review at least five percent (5%) of all registration statements and activity reports filed with the Commission.

The Commission requires the selected lobbyists to produce verifying documents that substantiate their activity reports.

- **Certain Errors or Violations** - Within 30 days after discovering an error or violation found during an audit or inspection conducted under IC 2-7-4-6, the Commission will notify the lobbyist by certified mail return receipt requested of the error or violation. The lobbyist has 30-days from the date of notification in which to file or correct a statement or report. Failure to file or correct a statement or report may result in the lobbyist being required to appear before the Commission in a public meeting, and in civil or criminal sanctions.
- **Investigations** - The Commission must conduct an investigation after receiving a written complaint that alleges a violation of IC 2-7 and that is signed by the complainant, if the Commission determines that the complaint alleges facts sufficient to constitute such a violation. In such a case, the Commission will send a copy of the complaint to the person alleged to have committed the violation. If probable cause is found to exist, an investigation will be conducted, and all preliminary actions and records relating to the investigation will be kept confidential.
- **Hearings** - The Commission may conduct hearings whenever the Commission finds probable cause that a violation of IC 2-7 has occurred.

LATE FEES AND PENALTIES

- **Late filings** - A late fee of \$100 per day, but not to exceed \$4,500, is imposed for any lobbyist registration statement, activity report, gift report, or purchase report filed after the statutory deadline. The Commission may waive the late fee, in whole or in part, if it determines that circumstances make imposition of the entire late fee inappropriate. If a lobbyist fails to correct an error in a registration statement, activity report, gift report, or purchase report within ten (10) business days after the date of the Commission's written notice concerning the error, then the registration statement or report will be considered late and the late fee of \$100 per day provided for under IC 2-7-2-2, IC 2-7-3-2, IC 2-7-3-3.3, or IC 2-7-3-7 will accrue beginning with the day after the filing deadline until it reaches the maximum of \$4,500. The Commission's policies for administrative resolution of late fees are set forth in Exhibit 9 of this Handbook.
- **Civil sanctions** - For failure to file a corrected statement or report as requested by the Commission, the Commission may: 1) revoke a lobbyist's registration, or 2) impose a civil fine in an amount not to exceed \$500, or both. The Commission may impose those same sanctions if it finds that a lobbyist failed to file a report required by IC 2-7-3-3.3 (Gift Report) or IC 2-7-3-7 (Purchase Report) with a legislative person. Before imposing such a sanction, the Commission must conduct a hearing under IC 4-21.5-3
- **Criminal sanctions** - With one exception, violations of IC 2-7-2, IC 2-7-3, or IC 2-7-5 constitute unlawful lobbying, a Level 6 felony. The exception is applicable when a person who has failed to file a timely registration statement, activity report, gift report, or purchase report corrects the situation by filing the required statement or report. However, for the exception to apply, the late statement or report must be filed not more than ten (10) business days after the Commission notifies the person of the failure to file by certified mail, return receipt requested. False reporting under this statute also constitutes a Level 6 felony. Upon consideration by the entire Commission, allegations of criminal violations may be referred to the Attorney General and to the prosecuting attorney with applicable jurisdiction.

In addition to any criminal penalty assessed for unlawful lobbying, the court may order the defendant not to engage in lobbying for a period up to 10 years. A person who lobbies in contravention of such an order also commits a Level 6 felony.

IC 2-7

ARTICLE 7. LOBBYISTS

IC 2-7-1

Chapter 1. Definitions

IC 2-7-1-0.1

Application of definitions

Sec. 0.1. The definitions in this chapter apply throughout this article.

As added by P.L.58-2010, SEC.4.

IC 2-7-1-1

"Activity report"

Sec. 1. "Activity report" means the activity report provided for by IC 2-7-3.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-1.3

"Candidate"

Sec. 1.3. "Candidate" refers to a candidate for election to the general assembly.

As added by P.L.58-2010, SEC.5.

IC 2-7-1-1.5

Repealed

(Repealed by P.L.58-2010, SEC.35.)

IC 2-7-1-1.7

"Close relative"

Sec. 1.7. (a) "Close relative" refers to the following relatives of an individual:

- (1) The individual's parent.
- (2) The individual's spouse.
- (3) The individual's children

(b) A relative by adoption, half-blood, marriage, or remarriage is considered as a relative of whole kinship.

As added by P.L.58-2010, SEC.6. Amended by P.L. 123-2015, SEC. 3. Amended by P.L.149-2016, SEC. 2.

IC 2-7-1-1.9

"Commission"

Sec. 1.9. "Commission" refers to the Indiana lobby registration commission established by IC 2-7-1.6-1.

As added by P.L.58-2010, SEC.7.

IC 2-7-1-2

"Compensation"

Sec. 2. "Compensation" means anything of value given as payment for doing or refraining from doing an activity.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-3

"Expenditure"

Sec. 3. "Expenditure" means any advance, conveyance, deposit, distribution, transfer of funds, loan, payment,

honorarium, pledge, or subscription of money or anything of value, and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make an expenditure.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-3.5

"Family business"

Sec. 3.5. "Family business" means a business entity in which an individual and the individual's spouse own at least eight percent (80%) of the business, either of the voting stock or other measure of ownership of that type of business entity, regardless of whether all or a portion is owned jointly or severally.

As added by P.L. 123-2015, SEC. 4.

IC 2-7-1-4

"Gift"

Sec. 4. (a) "Gift" means the voluntary transfer of anything of value without consideration.

(b) The term does not include a contribution (as defined in IC 3-5-2-15).

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.9-1993, SEC.3; P.L.58-2010, SEC.8.

IC 2-7-1-5

Repealed

(Repealed by P.L. 123-2015, SEC.5.)

IC 2-7-1-6

"Influencing legislative action"

Sec. 6. "Influencing legislative action" means promoting, supporting, influencing, modifying, opposing, or delaying any legislative action by any means.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-7

"Legislative action"

Sec. 7. "Legislative action" means any matter within the authority of the general assembly; it includes the drafting, introduction, consideration, modification, enactment, or defeat of any bill, resolution, amendment, report, or other matter by the general assembly or by either house or any committee, subcommittee, joint or select committee thereof, or by a member or employee of the general assembly acting in his official capacity. "Legislative action" also means the action of the governor in approving or vetoing any bill.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-7.2

"Legislative body"

Sec. 7.2. "Legislative body" refers to any of the following:

- (1) The general assembly.
- (2) The house of representatives.
- (3) The senate.
- (4) A standing or other committee established by the rules of the house of representatives or the senate.
- (5) A committee established by statute or by the legislative council. An individual who:
 - (A) is a member of a committee described in this subdivision; and
 - (B) is not a member of the general assembly;is not considered to be a member of a legislative body for purposes of this article.
- (6) A caucus of the house of representatives or the senate.

As added by P.L.58-2010, SEC.9.

IC 2-7-1-7.5

(Repealed by P.L.149-2016, SEC. 3.)

IC 2-7-1-8

"Legislative person"

Sec. 8. "Legislative person" means any of the following:

- (1) A member.
- (2) A candidate.
- (3) An officer of the general assembly.
- (4) An employee of the legislative department of state government.
- (5) A close relative of anyone described in subdivision (1), (2), (3), or (4). However, a lobbyist who is a close relative of a legislative person is not considered a legislative person.
- (6) A paid consultant of the general assembly.
- (7) An official of an agency of the legislative department of state government.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.58-2010, SEC.11; P.L.165-2013, SEC.1.

Amended by P.L. 123-2015, SEC. 6.

IC 2-7-1-9

"Lobbying"

Sec. 9. "Lobbying" means communicating by any means, or paying others to communicate by any means, with any legislative person with the purpose of influencing any legislative action.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.58-2010, SEC.12.

IC 2-7-1-10

"Lobbyist"

Sec. 10. (a) "Lobbyist" means any person who:

- (1) engages in lobbying; and
 - (2) in any registration year, receives or expends an aggregate of at least five hundred dollars (\$500) in compensation or expenditures reportable under this article for lobbying, whether the compensation or expenditure is solely for lobbying or the lobbying is incidental to that individual's regular employment.
- (b) The following are not considered lobbyists:
- (1) A public employee or public official.
 - (2) The National Conference of State Legislatures.
 - (3) The National Conference of Insurance Legislators.
 - (4) The American Legislative Exchange Council.
 - (5) Women in Government.
 - (6) The Council of State Governments.
 - (7) The National Black Caucus of State Legislators.
 - (8) Any other national organization established for the education and support of legislative leadership, legislators, legislative staff, or related government employees.

(c) The annual registration fee imposed under IC 2-7-2-1 is not to be considered for purposes of determining whether a person is a lobbyist as defined in subsection (a).

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.9-1993, SEC.4; P.L.58-2010, SEC.13; P.L.165-2013, SEC.2.

IC 2-7-1-10.5

"Member"

Sec. 10.5. "Member", except as used in section 8(5) of this chapter, IC 2-7-3-3(a), and IC 2-7-7-8, refers to a member of the general assembly.

As added by P.L.58-2010, SEC.14.

IC 2-7-1-11

"Payment"

Sec. 11. (a) "Payment" means a payment, compensation, reimbursement, distribution, transfer, loan, advance, conveyance, deposit, gift, pledge, subscription, or other rendering of money, property, services, or anything else of value, whether tangible or intangible, and any contract, agreement, promise, or other obligation, whether or not legally enforceable, to make a payment.

(b) "Paid" means that payment has been made.

(c) "Pay" means the act of making a payment.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-12

"Person"

Sec. 12. "Person" means a human being, corporation, limited liability company, partnership, association, firm, or educational institution.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.8-1993, SEC.3.

IC 2-7-1-13

"Public employee"

Sec. 13. "Public employee" means an employee of the state or federal government or a political subdivision of either of those governments and does include an official or employee of a state educational institution.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.2-2007, SEC.5.

IC 2-7-1-14

"Public official"

Sec. 14. "Public official" means an individual who holds office in the executive, judicial, or legislative branch of the state or federal government or a political subdivision of either of those governments and includes an official or employee of a state educational institution.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.2-2007, SEC.6.

IC 2-7-1-15

Repealed

(Repealed by P.L.58-2010, SEC.35.)

IC 2-7-1-16

"Registration statement"

Sec. 16. "Registration statement" means the registration statement provided for by IC 2-7-2.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-1-16.5

"Relative"

Sec. 16.5(a) "Relative" of an individual has the meaning set forth in IC 2-2.2-1-17.

As added by P.L. 123-2014, SEC. 7.

IC 2-7-1-17

Repealed

(Repealed by P.L.58-2010, SEC.35.)

IC 2-7-1-18

"Reporting year"

Sec. 18. "Reporting year" means the period from November 1 of the immediately preceding calendar year through October 31 of the following calendar year.

As added by P.L.229-2011, SEC.40.

IC 2-7-1.6

Chapter 1.6. Indiana Lobby Registration Commission

IC 2-7-1.6-0.3

Rules and policies adopted before July 1, 1992 continue in force until modified by commission

Sec. 0.3. Any written rules or policies adopted by the secretary of state to administer this article before July 1, 1992, continue in force until rescinded or modified by the legislative ethics commission (now the Indiana lobby registration commission) established by IC 2-7-1.6, as added by P.L.3-1992.

As added by P.L.220-2011, SEC.9.

IC 2-7-1.6-1

Establishment

Sec. 1. (a) The Indiana lobby registration commission is established.

(b) The commission is a separate and an independent agency within the legislative branch of state government.

(c) The commission shall administer this article.

As added by P.L.3-1992, SEC.6. Amended by P.L.9-1993, SEC.6.

IC 2-7-1.6-2

Membership

Sec. 2. (a) The commission consists of four (4) members. The president pro tempore of the senate, the minority floor leader of the senate, the speaker of the house of representatives, and the minority floor leader of the house of representatives shall each appoint one (1) member.

(b) Not more than two (2) of the four (4) members may hold the same political affiliation.

(c) An incumbent legislator or lobbyist may not be appointed as a member of the commission.

As added by P.L.3-1992, SEC.6.

IC 2-7-1.6-3

Terms; vacancies

Sec. 3. (a) Each member of the commission serves for a term of four (4) years, beginning January 1.

(b) Members of the commission may be reappointed to successive terms.

(c) The appropriate appointing authority shall fill a vacancy on the commission for the duration of the unexpired term.

As added by P.L.3-1992, SEC.6.

IC 2-7-1.6-4

Chairman

Sec. 4. A chairman shall be selected for the commission to serve for a term of one (1) year. The chairman's term begins January 1. The chairman to serve in even-numbered years shall be designated by the president pro tempore of the senate, and the chairman to serve in odd-numbered years shall be designated by the speaker of the house of representatives.

As added by P.L.3-1992, SEC.6.

IC 2-7-1.6-5

Powers and duties

Sec. 5. (a) The commission has the powers and duties specified in this article.

(b) The commission may do the following:

- (1) Hold meetings as necessary.
- (2) Make recommendations to the general assembly concerning administration of this article.
- (3) Subject to IC 2-7-7, receive and hear any complaint alleging a violation of this article.
- (4) Obtain information relevant to an audit conducted or a complaint filed under this article.
- (5) Administer oaths.
- (6) Act as an advisory body by providing advisory opinions to lobbyists on questions relating to the requirements of this article.
- (7) Establish qualifications for and employ the personnel required to implement this article.
- (8) Adopt rules and procedures necessary or appropriate to carry out its duties.
- (9) Make reasonable and necessary expenditures of money appropriated to the commission.
- (10) Do other things necessary and proper:
 - (A) to implement this article; or
 - (B) as requested by the general assembly or the legislative council.

As added by P.L.3-1992, SEC.6. Amended by P.L.9-1993, SEC.7.

IC 2-7-1.6-6**Majority vote**

Sec. 6. The vote of at least three (3) members is required for the commission to take official action.

As added by P.L.3-1992, SEC.6.

IC 2-7-1.6-7**Per diem; mileage; travel allowances**

Sec. 7. When the commission meets, each member is entitled to receive the same per diem, mileage, and travel allowances approved by the legislative council for lay members serving on interim study committees established by the legislative council.

As added by P.L.3-1992, SEC.6.

IC 2-7-1.6-8**Repealed**

(Repealed by P.L.9-1993, SEC.18.)

IC 2-7-1.6-9**Application of chapter to committees under IC 2-2.1-3-5**

Sec. 9. This chapter does not affect the committees established under IC 2-2.2-3.

As added by P.L.3-1992, SEC.6. Amended by P.L. 123-2015, SEC. 8.

IC 2-7-2**Chapter 2. Registration Statements****IC 2-7-2-1****Filing requirement; online registration**

Sec. 1. (a) For each reporting year, each lobbyist shall file with the commission a registration statement under oath accompanied by the registration fee required by this section. Except as otherwise provided in section 1.5 of this chapter, a lobbyist shall use the commission's online system to file the lobbyist's registration statement electronically.

(b) Except as provided in subsection (c), the registration fee is two hundred dollars (\$200).

- (c) The registration fee of a lobbyist that satisfies either of the following is one hundred dollars (\$100):
 - (1) The lobbyist is a nonprofit organization exempt from federal income taxation under Section 501(c)(3) or 501(c)(4) of the Internal Revenue Code.
 - (2) The lobbyist:
 - (A) is an employee of a lobbyist described in subdivision (1); and
 - (B) performs lobbying services for the employer as part of the lobbyist's salaried responsibilities.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.1; P.L.3-1992, SEC.7; P.L.9-1993, SEC.8; P.L.165-2013, SEC.3.

IC 2-7-2-1.5

Online registration and report filing; request for exemption; additional filing fee for exemption; expiration of exemption; exemption void if additional fee not paid

Sec. 1.5. (a) A lobbyist may submit a written request that the commission grant an exception to the electronic filing required in section 1 of this chapter and IC 2-7-3-1.

(b) A lobbyist must file a request for an exception under subsection (a) not later than sixty (60) days before the start of the reporting year for which the request is filed using the form prescribed by the commission.

(c) The commission may approve a request for an exception under subsection (a) if the commission finds that the electronic filing requirement poses a hardship for the lobbyist.

(d) If the commission grants an exception, the lobbyist must pay the commission an additional filing fee. The amount of the additional fee equals the amount that the lobbyist would have been required to pay the state's third party vendor to file registration statements and activity reports electronically for that reporting year.

(e) An exception granted under this section is valid only for the reporting year for which it is granted. An exception granted under this section is void if the additional fee is not paid in full within thirty (30) days after the exception is granted.

As added by P.L.165-2013, SEC.4.

IC 2-7-2-2

Time of filing; expiration of registration; late filing; fees

Sec. 2. (a) The term of a registration statement is the same as the term of the reporting year for which the statement is filed. Each registration statement shall be filed not later than the first day of the reporting year, or within fifteen (15) business days after a person becomes a lobbyist, whichever is later. The commission may accept registration statements for a period of up to sixty (60) days before the first day of the reporting year to which they apply, as the commission determines.

(b) Subject to subsections (c) and (d), the commission shall impose a late registration fee of not more than one hundred dollars (\$100) per day for each day after the deadline until the statement is filed.

(c) The late registration fee shall not exceed four thousand five hundred dollars (\$4,500).

(d) The commission may waive all or part of the late registration fee if the commission determines that the circumstances make imposition of the fee inappropriate.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.8; P.L.9-1993, SEC.9; P.L.58-2010, SEC.15; P.L.165-2013, SEC.5.

IC 2-7-2-3

Contents; lobbyists compensated for lobbying

Sec. 3. The registration statement of each lobbyist who is compensated for lobbying must include the following:

- (1) The name, Social Security number, residence address and telephone number, and business address and telephone number of the lobbyist.
- (2) The name, business address, telephone number, and kind of business of each person (including the names of each officer or partner) who compensates the lobbyist.
- (3) The lobbyist's primary occupation and the name or names of the lobbyist's employers if different than

those specified in subdivision (2).

(4) The subject matter of the lobbyist's lobbying.

(5) The name of any member who is a relative of the lobbyist.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.2; P.L.6-1987, SEC.1.

Amended by P.L. 123-2015, SEC. 9.

IC 2-7-2-4

Contents; statements of lobbyists compensating person for lobbying

Sec. 4. The registration statement of each lobbyist who compensates a person for lobbying must include the following:

(1) The lobbyist's full name, business address and telephone number, kind of business, and the full name of the individual who controls the business, the partners, if any, and officers.

(2) The full name, and business address and telephone number of each person compensated by the lobbyist as a lobbyist.

(3) The subject matter for which the lobbyist has employed or contracted with a lobbyist.

(4) The name of any member who is a relative of the lobbyist.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L. 123-2015, SEC. 10.

IC 2-7-2-5

Amendments; changes in information; notice of termination

Sec. 5. If a material change occurs in any of the information contained in a registration statement, an appropriate amendment shall be filed within fifteen (15) days after the change. Each registered lobbyist may file a notice of termination within fifteen (15) days after he ceases the activity which required his registration; however, this does not relieve him of the reporting requirements of IC 2-7-3.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.3.

IC 2-7-2-6

Exemptions; application of this chapter, article, and IC 2-7-3

Sec. 6. (a) The provisions of this chapter and IC 2-7-3 are not applicable to any full-time or part-time public official acting in his official capacity or any full-time or part-time public employee in Indiana acting within the scope of his employment.

(b) The provisions of this chapter are not applicable to any newspaper or other periodical of general circulation, book publisher, news wire service, radio or television station (including any individual who owns, publishes, or is employed by any such newspaper or periodical, radio or television station) which in the ordinary course of business publishes news items, editorials, or other comments, or paid advertisement, which directly or indirectly urge legislative action if such newspaper, periodical, book publisher, radio or television station, or individual engages in no further or other activities in connection with urging legislative action other than to appear before a committee of the legislature in support of or in opposition to such action.

(c) The provisions of this chapter are not applicable to an individual invited, by any member of the general assembly, to testify before the general assembly or a legislative committee at the time the individual is testifying.

(d) The provisions of this chapter are not applicable to any officer or employee of the state central committee of a political party while acting within the scope of his employment.

(e) This chapter does not apply to a person whose lobbying services are performed without compensation.

(f) Notwithstanding the definition of "lobbying" as specified in IC 2-7-1-9, in no instance shall the language of this chapter be construed to prohibit in any way free and open communication between any citizen of this state and members of the general assembly.

(g) This article does not apply to:

- (1) an insurance policy;
- (2) a credit card agreement;
- (3) a recorded mortgage secured by real property; or
- (4) a written agreement with a financial institution (as defined in IC 28-1-1-3);

if the insurance policy, credit card, mortgage, or agreement was issued or made in the ordinary course of business.

(h) This article does not apply to compensation paid to the spouse of a legislator for goods or services provided by the spouse in the ordinary course of business to a lobbyist or a lobbyist's employer.

(i) The items to which this article does not apply under subsection (g) or (h) shall not be included in activity reports filed under IC 2-7-3-3.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.4; P.L.3-1992, SEC.9; P.L.9-1993, SEC.10.

IC 2-7-3

Chapter 3. Activity Reports

IC 2-7-3-1

Filing requirement; online filing

Sec. 1. (a) Each lobbyist shall file semiannually with the commission an activity report under oath. A lobbyist shall file a separate activity report relating to each person from whom the lobbyist receives payment for lobbying.

(b) Except as otherwise provided in IC 2-7-2-1.5, a lobbyist shall use the commission's online system to file the lobbyist's semiannual activity reports electronically.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.10; P.L.165-2013, SEC.6.

IC 2-7-3-2

Time of filing; failure to file; penalty; limitation

Sec. 2. (a) One (1) activity report shall be filed not later than May 31, covering the period from November 1 of the immediately preceding calendar year through April 30. The other activity report shall be filed not later than November 30, covering the period from May 1 through October 31. The commission shall provide a copy of an activity report to a member of the general assembly at the request of the member.

(b) Subject to subsections (c) and (d), the commission shall impose a penalty of not more than one hundred dollars (\$100) per day for each day that the person fails to file any report required by this chapter until the report is filed.

(c) The penalty shall not exceed four thousand five hundred dollars (\$4,500) per report.

(d) The commission may waive all or part of the penalty if the commission determines that the circumstances make imposition of the penalty inappropriate.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.11; P.L.9-1993, SEC.11; P.L.162-2003, SEC.1; P.L.58-2010, SEC.16; P.L.165-2013, SEC.7.

IC 2-7-3-3

Activity report contents; reporting thresholds; excluded items

Sec. 3. (a) The activity reports of each lobbyist shall include the following information:

- (1) A complete and current statement of the information required to be supplied under IC 2-7-2-3 and IC 2-7-2-4.
- (2) Total expenditures on lobbying (prorated, if necessary) broken down to include at least the following categories:
 - (A) Compensation to others who perform lobbying services.
 - (B) Reimbursement to others who perform lobbying services.
 - (C) Receptions.

(D) Entertainment, including meals.

(E) Gifts made to a legislative person.

(3) Subject to section 3.5 of this chapter, a statement of each:

(A) expenditure for entertainment (including meals and drink); or

(B) gift;

that equals fifty dollars (\$50) or more in one (1) day, or expenditures for entertainment (including meals and drink) or gifts that together total more than two hundred fifty dollars (\$250) during the reporting year, if the expenditures and gifts are made by the lobbyist or the lobbyist's agent to benefit a specific legislative person.

(4) A list of the general subject matter of each bill or resolution concerning which a lobbying effort was made within the registration period.

(5) The name of each member of the general assembly from whom the lobbyist has received an affidavit required under IC 2-2.2-2-8.

(b) In the second semiannual report, when total amounts are required to be reported, totals shall be stated both for the period covered by the statement and for the entire reporting year.

(c) An amount reported under this section is not required to include the following:

(1) Overhead costs.

(2) Charges for any of the following:

(A) Postage.

(B) Express mail service.

(C) Stationery.

(D) Facsimile transmissions.

(E) Telephone calls.

(F) Electronic communications.

(3) Expenditures for the personal services of clerical and other support staff persons who are not lobbyists.

(4) Expenditures for leasing or renting an office.

(5) Expenditures for lodging, meals, and other personal expenses of the lobbyist.

(d) A report of an expenditure under subsection (a)(3) must state the following information:

(1) The name of the lobbyist making the expenditure.

(2) A description of the expenditure.

(3) The amount of the expenditure.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.5; P.L.3-1992, SEC.12; P.L.9-1993, SEC.12; P.L.58-2010, SEC.17; P.L.225-2011, SEC.1. Amended by P.L. 123-2015, SEC. 11.

IC 2-7-3-3.3

Reporting gifts to legislative persons; report filing; contents; filing deadlines; report temporarily confidential; compiled reports provided to members and candidates

Sec. 3.3. (a) This section does not apply to gifts made between close relatives.

(b) A lobbyist shall file a written report whenever the lobbyist makes a gift with respect to a legislative person that is required to be included in a report under section 3(a)(3) of this chapter.

(c) A report under this section must state the following:

(1) The name of the lobbyist making the gift.

(2) A description of the gift.

(3) The amount of the gift.

(d) A lobbyist shall file a copy of a report required by this section with the commission and the legislative person with respect to whom the report is made.

(e) A lobbyist shall file a report required by this section not later than fifteen (15) business days after making the gift. A report filed under this section is confidential and is not available for public inspection or copying until ten (10) business days after the report is filed with the commission.

(f) After the expiration of the confidentiality period prescribed in subsection (e), the commission shall provide

a copy of a gift report to the following:

(1) The principal clerk of the house of representatives, if the legislative person is a member of, or a candidate for election to, the house of representatives.

(2) The secretary of the senate, if the legislative person is a member of, or candidate for election to, the senate.

(g) Subject to subsections (h) and (i), the commission shall impose a late report fee of not more than one hundred dollars (\$100) per day after the deadline until the report is filed.

(h) The late report fee shall not exceed four thousand five hundred dollars (\$4,500).

(i) The commission may waive all or part of the late report fee if the commission determines that the circumstances make imposition of the fee inappropriate.

As added by P.L.58-2010, SEC.18. Amended by P.L.165-2013, SEC.8. Amended by P.L. 123-2015, SEC. 12.

IC 2-7-3-3.5

Rules for reporting expenditures and gifts

Sec. 3.5. (a) If an expenditure for entertainment (including meals and drink) or a gift can clearly and reasonably be attributed to a particular legislative person, the expenditure must be reported with respect to that particular legislative person.

(b) A report of an expenditure with respect to a particular legislative person:

(1) must report actual amounts; and

(2) may not allocate to the particular legislative person a prorated amount derived from an expense made with respect to several legislative persons;

to the extent practicable.

(c) An activity report must report expenditures for a function or activity to which all the members of a legislative body are invited. Expenditures reported for a function or activity described in this subsection may not be allocated and reported with respect to a particular legislative person.

(d) If two (2) or more lobbyists contribute to an expenditure, each lobbyist shall report the actual amount the lobbyist contributed to the expenditure. For purposes of reporting such an expenditure, the following apply:

(1) For purposes of determining whether the expenditure is reportable, the total amount of the expenditure with respect to a particular legislative person must be determined and not the amount that each lobbyist contributed to that expenditure.

(2) Each lobbyist shall report the actual amount the lobbyist contributed to the expenditure, even if that amount would not have been reportable under this section if only one (1) lobbyist made an expenditure of that amount.

(e) The report of an expenditure with respect to a particular legislative person may not include any amount that the particular legislative person contributed to the expenditure.

(f) An activity report may not report expenditures or gifts relating to property or services received by a legislative person if the legislative person paid for the property or services the amount that would be charged to any purchaser of the property or services in the ordinary course of business.

(g) An activity report may not report expenditures or gifts made between relatives unless the expenditure or gift is made in connection with a legislative action.

(h) An activity report may not report expenditures or gifts relating to the performance of a legislative person's official duties, including the legislative person's service as a member of any of the following:

(1) The legislative council.

(2) The budget committee.

(3) A standing or other committee established by the rules of the house of representatives or the senate.

(4) A study committee established by statute or by the legislative council.

(5) A statutory board or commission.

(i) An activity report may not report a contribution (as defined in IC 3-5-2-15).

As added by P.L.58-2010, SEC.19. Amended by P.L. 123-2015, SEC. 13.

IC 2-7-3-4

Substantiation; preservation of documents; inspection

Sec. 4. Each lobbyist shall obtain and preserve all documents necessary to substantiate the activity reports required under this chapter for four (4) years from the date of filing of the report containing these items. The lobbyist shall make these materials available for inspection upon request by the commission.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.13.

IC 2-7-3-5

Termination report; contents

Sec. 5. Every person who files a notice of termination as provided in IC 2-7-2-5 must file a termination report covering the semiannual reporting period or portion thereof immediately preceding the termination of his registration statement; such report shall contain the information required by section 3 of this chapter.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-3-6

Repealed

(Repealed by P.L.58-2010, SEC.35.)

IC 2-7-3-7

Report of purchases by lobbyist from member or candidate; contents; filing deadlines; report temporarily confidential; compiled reports provided to members and candidates

Sec. 7. (a) This section does not apply to a purchase by a lobbyist from a member's or candidate's business made in the ordinary course of business at prices that are available to the general public.

(b) As used in this section, "purchase" refers to a purchase of goods or services for which the lobbyist paid more than one hundred dollars (\$100) from any of the following:

- (1) A member or candidate.
- (2) A member's or candidate's sole proprietorship.
- (3) A member's or candidate's family business, regardless of the manner of the family business's legal organization.

(c) A lobbyist shall file a written report with respect to a member or candidate whenever the lobbyist makes a purchase.

(d) A report required by this section must state the following:

- (1) The name of the lobbyist making the purchase.
- (2) A description of the purchase.
- (3) The amount of the purchase.

(e) A lobbyist shall file a copy of a report required by this section with the commission and the member or candidate with respect to whom the report is made.

(f) A lobbyist shall file a report required by this section not later than fifteen (15) business days after making the purchase. A report filed under this section is confidential and is not available for public inspection or copying until ten (10) business days after the report is filed with the commission.

(g) After the expiration of the confidentiality period prescribed in subsection (f), the commission shall provide a copy of a purchase report filed under this section to the following:

- (1) The principal clerk of the house of representatives, if the member or candidate is a member of, or a candidate for election to, the house of representatives.
- (2) The secretary of the senate, if the member or candidate is a member of, or candidate for election to, the senate.

(h) Subject to subsections (i) and (j), the commission shall impose a late report fee of not more than one hundred dollars (\$100) per day for each day after the deadline until the report is filed.

(i) The late report fee shall not exceed four thousand five hundred dollars (\$4,500).

(j) The commission may waive all or part of the late report fee if the commission determines that the circumstances make imposition of the fee inappropriate.

As added by P.L.58-2010, SEC.20. Amended by P.L.165-2013, SEC.9. Amended by P.L. 123-2015, SEC. 14.

Chapter 3.5. Reporting of Certain Expenditures by State Educational Institutions

Sec. 1. As used in this chapter, “affiliated entity” refers to a foundation or other entity established to benefit a state educational institution.

Sec. 2. As used in this chapter, “reportable expenditure” refers to an expenditure:

(1) that is made by:

(A) a state educational institution;

(B) an affiliated entity of a state educational institution; or

(C) an employee of:

(i) a state educational institution; or

(ii) an affiliated entity of the state educational institution; that is reimbursed by the state educational institution or by an affiliated entity of the state educational institution;

(2) made for lobbying activities; and

(3) of a kind reportable under IC 2-7-3-3(a)(3) by a lobbyist.

Sec. 3. As used in this chapter, “state educational institution” has the meaning set forth in IC 21-7-13-32.

Sec. 4. (a) Each state educational institution shall annually file a report of all reportable expenditures.

(b) A report required by this chapter must:

(1) be filed with the commission not later than November 30 of each year; and

(2) cover the period from November 1 of the previous year through October 31 of the year in which the report is filed.

(c) The first report required by this chapter must:

(1) be filed with the commission not later than November 30, 2015; and

(2) cover the period from November 1, 2014, through October 31, 2015.

Sec. 5. If a state educational institution has no reportable expenditures, a statement of that fact is required and is sufficient to comply with the reporting requirements of this chapter.

Sec. 6. (a) Subject to subsections (b) and (c), the commission shall impose a late report fee of not more than one hundred dollars (\$100) per day for each day after the deadline until the report is filed.

(b) The late report fee shall not exceed four thousand five hundred dollars (\$4,500).

(c) The commission may waive all or part of the late report fee if the commission determines that the circumstances make imposition of the fee inappropriate.

Sec. 7. (a) The commission shall post reports received under this chapter on the commission’s internet web site.

(b) If the commission does not receive a report from a state educational institution under this chapter, the commission shall notify the state educational institution and post a copy of the notice on the commission’s internet web site.

As added by P.L.123-2015, SEC. 15.

IC 2-7-4

Chapter 4. Duties of the Commission

IC 2-7-4-1

Forms for documents

Sec. 1. The commission shall prescribe forms for the registration statements, activity reports, and other

documents required to be filed under this article and make the forms available to persons required to file the registration statements, activity reports, and other documents.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.14; P.L.9-1993, SEC.14.

IC 2-7-4-2

Reporting methods; publication

Sec. 2. The commission shall prepare and publish a manual setting forth recommended, uniform methods of reporting for use by persons required to file statements and reports under this article.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.15.

IC 2-7-4-3

Documents; availability for public inspection

Sec. 3. The commission shall make statements, reports, and other documents filed with the commission under this article available for public inspection and copying during regular office hours and make copying facilities available to the public at a charge not to exceed actual cost.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.16.

IC 2-7-4-4

Statements and reports; index

Sec. 4. The commission shall compile and maintain an index of all reports and statements filed with the commission under this article to facilitate public access to these reports and statements.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.17.

IC 2-7-4-5

Statements and reports; summaries; publication

Sec. 5. The commission shall prepare and publish annual summaries of statements and reports filed with the commission under this article.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.18.

IC 2-7-4-5.5

Commission must make reports and other information available on Internet

Sec. 5.5. (a) The commission shall make copies of all the following available on the Internet:

(1) Reports, statements, other documents required to be filed under this article.

(2) Manuals, indices, summaries, and other documents the commission is required to compile, publish, or maintain under this article.

As added by P.L.58-2010, SEC.21. Amended by P.L.165-2013, SEC.10. Amended by P.L.149-2016, SEC.4.

IC 2-7-4-6

Registration statements and reports; inspection and audit; confidential documents

Sec. 6. (a) The commission shall inspect and audit at least five percent (5%) of all registration statements and reports filed with the commission under this article by requiring the lobbyist to produce verifying documents. The statements and reports inspected and audited shall be selected at random by a computer random number generator. Nothing in this article shall be construed as prohibiting the commission from inspecting and auditing any statement or report if the commission has reason to believe that a violation of this article may have occurred.

(b) Verifying documents under this section while in the possession of the commission are confidential.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.6; P.L.19-1983, SEC.7; P.L.3-1992, SEC.19; P.L.58-2010, SEC.22; P.L.165-2013, SEC.11.

IC 2-7-4-7

Violations; notification to persons required to file statements and reports; failure to file; reporting for prosecution

Sec. 7. The commission shall notify by certified mail, return receipt requested, persons required to file statements and reports under this article of any violations or errors discovered during inspections or audits conducted under section 6 of this chapter within thirty (30) days of the discovery of the errors or violations. The person required to file statements and reports under this article shall within thirty (30) days from receipt of notification file a corrected statement or report meeting all requirements set forth in this article. If no corrected statement or report is filed within thirty (30) days, or if violations remain following the filing of a corrected report or statement, then the commission shall forward to the prosecuting attorney of the applicable judicial circuit and to the attorney general reports of any violations. However, if the prosecutor has not initiated prosecution within sixty (60) days of receipt of such notice or within sixty (60) days of the written request for prosecution by the attorney general, the attorney general may prosecute on behalf of the state.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.6-1985, SEC.1; P.L.3-1992, SEC.20.

IC 2-7-4-8

Statements and reports; preservation

Sec. 8. The commission shall preserve statements and reports filed with the commission under this article for a period of four (4) years from the date of receipt.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.21.

IC 2-7-4-9

Powers

Sec. 9. The commission has all powers necessary to accomplish the responsibilities assigned to the commission in this chapter.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.3-1992, SEC.22.

IC 2-7-5

Chapter 5. Prohibitions

IC 2-7-5-1

Legislative persons; compensation for engaging in lobbying

Sec. 1. A legislative person may not receive compensation or reimbursement other than from the state for personally engaging in lobbying.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.58-2010, SEC.23.

IC 2-7-5-2

Full-time public officials and employees; compensation

Sec. 2. Subject to the provisions of IC 2-7-2-6(a), it is unlawful for any full-time public official or public employee in the state of Indiana, to receive compensation, other than the regular compensation of elected or appointed officials, for lobbying.

As added by Acts 1981, P.L.9, SEC.1. Amended by Acts 1982, P.L.9, SEC.7.

IC 2-7-5-3

State central committee of political party; compensation

Sec. 3. Subject to the provisions of IC 2-7-2-6(d), it is unlawful for any officer or employee of the state central committee of a political party to receive compensation, other than for the regular compensation of such officers and employees, for lobbying.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-5-4

Former members of general assembly; presence during legislative session

Sec. 4. No past member of the general assembly who is a lobbyist may be on the floor of either house while that house is in session.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-5-5

Contingent fees

Sec. 5. It is unlawful for any person to be a lobbyist for a compensation dependent upon the success of his lobbying efforts, or upon any contingency connected with the administrative action or legislative action.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-5-6

Persons forbidden to register

Sec. 6. The following persons may not be registered as a lobbyist under this article:

- (1) Any individual convicted of a felony for violating any law while the individual was an officer or employee of any agency of state government or a unit of local government.
- (2) Any person convicted of a felony relating to lobbying.
- (3) Any person convicted of a felony and who:
 - (A) is in prison;
 - (B) is on probation; or
 - (C) has been in prison or on probation within the immediate past one (1) year.
- (4) Any person whose:
 - (A) statement or report required to be filed under this article was found to be materially incorrect as a result of a determination under IC 2-7-6-5; and
 - (B) who has not filed a corrected statement or report for that year when requested to do so by the commission.
- (5) Any person who has failed to pay a civil penalty assessed under IC 2-7-6-5.
- (6) Any person who is on the most recent tax warrant list supplied to the commission by the department of state revenue until:
 - (A) the person provides a statement to the commission indicating that the person's tax warrant has been satisfied; or
 - (B) the commission receives a notice from the commissioner of the department of state revenue under IC 6-8.1-8-2(k).

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.6-1985, SEC.2; P.L.6-1987, SEC.2; P.L.332-1989(ss), SEC.1; P.L.3-1992, SEC.23; P.L.172-2011, SEC.2.

IC 2-7-5-7

After 2011, individual may not be lobbyist for 365 days after date individual ceases to be a member of general assembly

Sec. 7. (a) An individual who is a member of the general assembly after December 31, 2011, may not be registered as a lobbyist under this article during the period described in subsection (b).

(b) The period referred to in subsection (a):

- (1) begins on the day the individual ceases to be a member of the general assembly; and
- (2) ends three hundred sixty-five (365) days after the date the individual ceases to be a member of the general assembly.

As added by P.L.58-2010, SEC.24. Amended by P.L.149-2016, SEC. 5.

IC 2-7-5-7.1

Expired

(Expired 1-1-2012 by P.L.58-2010, SEC.25.)

IC 2-7-5-8

Lobbyist may not make certain gifts to legislative person without consent of legislative person; exception

Sec. 8. (a) This section does not apply to gifts made between relatives.

(b) A lobbyist may not make a gift with a value of fifty dollars (\$50) or more to a legislative person unless the lobbyist receives the consent of the legislative person before the gift is made. The lobbyist must inform the particular legislative person of the cost of the gift at the time the lobbyist seeks the consent of the legislative person.

As added by P.L.58-2010, SEC.26. Amended by P.L. 123-2015, SEC. 16.

IC 2-7-5-9

Lobbyist may not pay for or reimburse for legislative person's travel expenses outside Indiana; exceptions

Sec. 9. (a) This section does not apply to the following:

(1) Expenses associated with travel outside Indiana for any purpose that is paid for by an organization or corporation of which the legislative person or the legislative person's spouse is an officer, member of the board of directors, employee, or independent contractor.

(2) Travel expenses of a legislative person attending a public policy meeting if:

(A) the legislative person's sole purpose for attending the meeting is to serve as a speaker or other key participant in the meeting; and

(B) the speaker of the house of representatives or the president pro tempore of the senate approves the payment of the travel expenses in writing.

(b) As used in this section, "travel expenses" includes expenses for transportation, lodging, registration fees, and other expenses associated with travel. However, for purposes of this section, the term does not include expenditures for meals.

(c) Except as provided in subsection (a), a lobbyist may not pay for or reimburse for travel expenses of a legislative person for travel outside Indiana for any purpose.

As added by P.L.58-2010, SEC.27. Amended by P.L.229-2011, SEC.41; P.L.165-2013, SEC.12.

IC 2-7-5-10

Lobbyist conflict of interest; lobbyist must file with commission written statement for resolution of conflicts; statement must be included in contract between lobbyist and client; lobbyist may not represent client when there is a conflict of interest; exceptions

Sec. 10. (a) Except as provided in subsection (c), this section does not apply to a lobbyist if the lobbyist's activity under this chapter is governed by the Rules of Professional Conduct of the Indiana supreme court.

(b) As used in this section, "conflict of interest" means a circumstance where:

(1) the representation of a client will be directly adverse to another client; or

(2) there is a significant risk that the representation of one (1) or more clients will be materially limited by the lobbyist's responsibilities to:

(A) another client; or

(B) a personal interest of the lobbyist.

(c) A lobbyist shall file with the commission a written statement that describes the procedures that the lobbyist and the lobbyist's client will follow if the lobbyist or the client determines at any time that the lobbyist's representation of the client might involve a conflict of interest. The lobbyist shall file the statement with the commission at the time the lobbyist files the lobbyist's annual registration statement under IC 2-7-2. If the lobbyist's activity under this chapter is governed by the Rules of Professional Conduct of the Indiana supreme court, the lobbyist shall file a statement to that effect with the commission.

(d) The statement filed under subsection (c) must be included in the agreement between the lobbyist and the

client for the lobbyist's services as a lobbyist.

(e) A lobbyist may not represent a client if the representation involves a conflict of interest except as is provided in the statement filed by the lobbyist under subsection (c).

As added by P.L.58-2010, SEC.28.

IC 2-7-6

Chapter 6. Enforcement

IC 2-7-6-1

Investigating and prosecuting authorities; powers and duties

Sec. 1. The attorney general and the applicable prosecuting attorney jointly or severally are responsible for investigating alleged or suspected violations and enforcing the provisions of this article and, in addition to the powers heretofore granted him by law, the attorney general has the powers of the prosecuting attorney of each county for the purpose of enforcing the provisions of this article.

As added by Acts 1981, P.L.9, SEC.1.

IC 2-7-6-2

Violations; offense; penalty; court order against lobbying

Sec. 2. (a) This section does not apply to failure to file a report or statement under IC 2-7-2-1, IC 2-7-3-1, IC 2-7-3-3.3, or IC 2-7-3-7 if the person failing to file the report or statement files a late report or statement not more than ten (10) business days after the commission notifies the person by certified mail, return receipt requested, that the person did not file a timely report or statement.

(b) Any person who knowingly or intentionally violates any provision of IC 2-7-2, IC 2-7-3, or IC 2-7-5 commits unlawful lobbying, a Level 6 felony. In addition to any penalty imposed on the defendant under IC 35-50-2-7 for unlawful lobbying, the court may order the defendant not to engage in lobbying for a period of up to ten (10) years, IC 2-7-5-6 notwithstanding.

(c) Any person who lobbies in contravention of a court order under subsection (b) commits a Level 6 felony.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.158-2013, SEC.1. Amended by P.L. 123-2015, SEC. 17. Amended by P.L.149-2016, SEC.6.

IC 2-7-6-3

Violations; false reports; offense

Sec. 3. A person who knowingly or intentionally makes a false report under this article that overstates or understates the amount of an expenditure or gift commits a Level 6 felony.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.9-1993, SEC.15; P.L.58-2010, SEC.29; P.L.158-2013, SEC.2.

IC 2-7-6-4

Violations; members of general assembly; conspiracy; offense

Sec. 4. A member of the general assembly who knowingly or intentionally conspires with a lobbyist in the violation of section 2 or 3 of this chapter commits a Level 6 felony.

As added by Acts 1981, P.L.9, SEC.1. Amended by P.L.158-2013, SEC.3.

IC 2-7-6-5

Findings of hearing; sanctions

Sec. 5. (a) If the commission after a hearing conducted under IC 4-21.5-3 finds that:

- (1) a statement or report required to be filed under this article was materially incorrect;
- (2) the person filing the report was requested to file a corrected statement or report; and
- (3) a corrected statement or report has not been filed;

the commission may invoke sanctions under subsection (b).

(b) If under subsection (a) the commission is authorized to invoke sanctions under this subsection, the commission may do either or both of the following:

- (1) Revoke the registration of the person who has failed to file a corrected statement or report.
- (2) Assess a civil penalty on that person in an amount not to exceed five hundred dollars (\$500).

As added by P.L.6-1985, SEC.3. Amended by P.L.7-1987, SEC.1; P.L.3-1992, SEC.24.

IC 2-7-6-6

Failure to file report; sanctions

Sec. 6. (a) The commission may impose either or both of the following sanctions if, after a hearing under IC 4-21.5-3, the commission finds that a lobbyist failed to file a report with a legislative person required by IC 2-7-3-3.3 or IC 2-7-3-7:

- (1) Revoke the registration of the lobbyist.
- (2) Assess a civil penalty against the lobbyist. A civil penalty assessed under this subdivision may not be more than five hundred dollars (\$500).

(b) In imposing sanctions under subsection (a), the commission shall consider the following:

- (1) Whether the failure to file the report was willful or negligent.
- (2) Any mitigating circumstances.

As added by P.L.9-1993, SEC.16. Amended by P.L.58-2010, SEC.30.

IC 2-7-7

Chapter 7. Commission Investigations and Hearings

IC 2-7-7-1

Complaints alleging violation of article; conduct of investigation

Sec. 1. The commission shall conduct an investigation under this chapter of a complaint alleging a violation of this article.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-2

Complaint

Sec. 2. A complaint must be in writing and be signed by the individual making the complaint.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-3

Delivery of complaint to alleged violator

Sec. 3. When a complaint is filed, the commission shall promptly send a copy of the complaint to the person alleged to have committed the violation of this article.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-4

Complaints or preliminary investigations failing to state violation of article; disposition

Sec. 4. If the commission determines the complaint does not allege facts sufficient to constitute a violation of this article, the commission shall do both of the following:

- (1) Dismiss the complaint.
- (2) Notify the complainant and the respondent of the commission's action.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-5

Complaints alleging violation of article; preliminary investigation; probable cause findings

Sec. 5. (a) If the commission determines the complaint does allege facts sufficient to constitute a violation of this article, the commission shall promptly investigate the allegation.

(b) If after a preliminary investigation the commission finds that probable cause does not exist to support an allegation of a violation of this article, the commission shall do the following:

(1) Dismiss the complaint.

(2) Notify the complainant and the respondent of the commission's action.

(c) If the commission finds that probable cause exists to support an allegation of a violation of this article, the commission shall hold a hearing on the matter not more than thirty (30) days after making the determination. IC 4-21.5 applies to a hearing held under this subsection.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-6

Commission meetings in executive session

Sec. 6. The commission may meet in executive session to do either of the following:

(1) Make a determination under section 4 of this chapter.

(2) Investigate a complaint under section 5 of this chapter.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-7

Confidentiality

Sec. 7. The following matters are confidential:

(1) Action of the commission and records relating to those actions under section 4 of this chapter.

(2) Investigations and records relating to a preliminary investigation under section 5 of this chapter.

As added by P.L.9-1993, SEC.17.

IC 2-7-7-8

Subpoenas

Sec. 8. (a) Upon the affirmative vote of three (3) members of the commission, the commission may request from the legislative council the authority to compel either or both of the following by subpoena:

(1) The attendance and testimony of witnesses.

(2) The production of documents.

(b) If the legislative council authorizes the commission to issue subpoenas after a request under subsection (a), the circuit or superior court of the county where a subpoena is to be served shall enforce the subpoena.

As added by P.L.9-1993, SEC.17.

APPENDIX 1

Advisory Opinion Procedure

Introduction:

One of the functions of the Indiana Lobby Registration Commission (Commission) is to assist the public by rendering Advisory Opinions with respect to the interpretations and applicability of IC 2-7. In furtherance of this role, and pursuant to IC 2-7-1.6-5(a)(6), the Commission has adopted the following guidelines with regard to the issuance of Advisory Opinions.

Each Advisory Opinion represents a formal policy determination of the Commission and may be relied upon in making filing and reporting decisions. Oral advice provided by staff of the Commission is intended to help citizens to analyze their particular circumstances and to make decisions on their own about compliance with the lobby registration law. There should be no specific reliance on oral advice of this kind.

Procedure:

§ 1. (a) The Commission will render advisory opinions with respect to the interpretation and applicability of IC 2-7 and, in appropriate circumstances, other statutes or rules governing the registration and reporting of lobbyists. There is no right to an Advisory Opinion, and the Commission will render Advisory Opinions as a matter of discretion.

(b) An Advisory Opinion may be requested by a lobbyist, legislator, the Executive Director & General Counsel of the ILRC, or any other interested party, or may be issued by the Commission of its own initiative.

(c) Requests for Advisory Opinions shall be in writing, signed by the person making the request, and shall be titled, "Request for Advisory Opinion."

(d) A request for an Advisory Opinion shall state all material facts necessary for the Commission to understand the circumstances and make a complete analysis. Typically, the request for an Advisory Opinion must be based on actual facts and circumstances confronting the person making the request. Persons also may ask the Commission to issue Advisory Opinions with respect to hypothetical cases. It is less likely that the Commission will exercise its discretion to issue an Advisory Opinion in response to hypothetical cases. Only if the matter seems to be of general interest will the Commission exercise discretion to issue an Advisory Opinion.

(e) In requesting an Advisory Opinion, it is not necessary that an agent disclose the name of its principal, which may be a matter of attorney-client privilege. The agent making the request should be prepared to certify that there is an undisclosed principal.

(f) Upon receipt of a Request for Advisory Opinion, the Executive Director shall send an information copy to each Commissioner for review in preparation for the next meeting of the Commission.

(g) At that next meeting, the Commission will determine whether it will exercise its discretionary powers to issue an Advisory Opinion on the matter set forth in the request.

(h) Requests for Advisory Opinions must be received at the Commission office at least 10 days prior to the meeting of the Commission at which it is expected to be considered. The decision to include a request for an Advisory Opinion on the agenda is a matter of discretion with the Commission. Generally, that decision of the Commission will be made by the Chair, but the Chair will ordinarily honor the request of any member of the Commission to place a matter on the agenda.

(I) If a request for an Advisory Opinion is placed on the agenda for a Commission meeting, the Executive Director will give notice of the agenda, as well as the time and place of the meeting, to the person who requested the Advisory Opinion. It is the responsibility of the person who requested the Advisory Opinion to appear at the scheduled Commission meeting to address the request. A failure on the part of the person requesting an Advisory Opinion to attend the meeting of the Commission will militate against the issuance of an Advisory Opinion.

(j) The Commission may decide on an Advisory Opinion in the public meeting in which the request for an Advisory Opinion is presented or may take the matter under advisement. When a matter is taken under advisement, it must come back to a public meeting of the Commission for further discussion and resolution.

(k) Following a decision by the Commission to issue an Advisory Opinion, the Executive Director shall prepare the written expression of the Advisory Opinion and send a copy to each Commissioner for comment. If, during the period of comment by Commissioners, it appears that there is a material disagreement over the manner in which the Advisory Opinion is to be presented, the Executive Director will ask the Chair to place the request for an Advisory Opinion on the agenda for the next scheduled meeting of the Commissioners. If there is no material disagreement over the draft of the Advisory Opinion, the Executive Director will forward the opinion for publication in the *Indiana Register* in the form of a proposed Advisory Opinion.

(l) The Commission will accept written comment on any proposed Advisory Opinion for 30 days after the date of its publication in the *Indiana Register*. At its next following meeting, the Commission will consider any commentary that has been made during the 30-day period and will vote whether to ratify the Advisory Opinion as written or whether to amend it. If the Advisory Opinion is amended in that meeting of the Commission, it will be published in the *Indiana Register* under the procedure outlined above and held available for an additional comment period of 30 days.

(m) When the Commission ratifies a proposed Advisory Opinion, the final Advisory Opinion will be published in the *Indiana Register*. The vote of each Commissioner will be recorded by way of a signature on the Final Advisory Opinion. The Executive Director shall also sign Final Advisory Opinions prior to submission to the *Indiana Register*.

(n) The Commission will permit any person to submit memoranda, briefs, or other relevant written material or to provide oral testimony on any subject that is to be incorporated in an Advisory Opinion.

(o) Any Final Advisory Opinion, until amended or revoked, may be relied upon by all persons.

(p) Within fifteen (15) days of ratification of an Advisory Opinion, the Executive Director shall send a written copy of the Opinion to the party who requested it.

Request for Reconsideration from Final Advisory Opinion

§ 2 (a) The person who made the inquiry and any person directly affected by the Commission's Advisory Opinion may request reconsideration or clarification from the Commission of the Advisory Opinion.

(b) Any such request for reconsideration shall be made, in writing, to the Commission within fifteen (15) days of receipt of the Advisory Opinion sent pursuant to §1(p) of this statement.

Public Record

§3 (a) The Commission staff will periodically publish the accumulated Advisory Opinions in an appropriate

format.

- (b) A summary of the Commission's Advisory Opinions will be included and published in the annual report.

Appendix 2

Reporting Illustrations

The illustrations set forth in the remainder of this Appendix 4 are intended to help lobbyists comply with their reporting requirements. Lobbyists are encouraged to review the illustrations before completing an activity report. In each of the illustrations, the letter “C” stands for a client (an Employer Lobbyist), the letter “F” stands for a firm (both an Employer Lobbyist and a Compensated Lobbyist) that C has retained to lobby for it, the letter “P” stands for one of F’s partners (a Compensated Lobbyist) who lobbies on behalf of C, and the letter “A” stands for one of F’s associates (a Compensated Lobbyist) who also lobbies on behalf of C. The focal point for each illustration is a separate line of Section C of the Lobbyist Activity Report. However, where appropriate, amounts that should be included on other lines of Section C or reported in Section E also are noted. Each illustration is set forth on a separate page of this Appendix 2.

Reporting Compensation Paid
[IC 2-7-3-3 (a)(2)(A), Section C, Line 1]

Hypothetical Fact Situation. Client (“C”) retains firm (“F”) to lobby for C during the 2015 legislative session. F assigns partner (“P”) and associate (“A”) to lobby for C. C is registered as an employer lobbyist, F is registered as both an employer lobbyist and a compensated lobbyist. P and A are both registered as compensated lobbyists. During the November 1, 2014 through April 30, 2015 reporting period, C pays a flat fee of \$18,000 to F for lobbying at the rate of \$3,000 per month. C does not reimburse F for lobbying related expenses. During the same reporting period, F pays P total compensation of \$99,000, which includes \$9,000 that F contributes to P’s vested 401-K plan, and F pays A total compensation of \$67,000, which includes \$7,000 that F pays for A’s fringe benefits. Based on records provided by P and A, it is determined that 3% of P’s total time was spent lobbying for C and that 5% of A’s total time was spent lobbying for C. Given that fact situation, how much should C report on Line 1 of Section C of its employer lobbyist activity report for the reporting period, and how much should F report on that same line of its compensated lobbyist activity report for services provided to C? How much, if any, should P and A report on that same line of their compensated lobbyist activity reports for service provided to F?

Suggested Answers from Staff. Based on the definition of compensation set forth in IC 2-7-1-2, the Commission’s Final Advisory Opinions, and the Commission’s established practice as evidence by the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A on Section C, Line 1 of the applicable activity reports are as follows:

- C should report the \$18,000 in fees that it paid to F.
- F should report \$6,320 on its compensated lobbyist activity report for services provided to C. The \$6,320 equals 3% of P’s total compensation of \$99,000 plus 5% of A’s total compensation of \$67,000. To avoid double reporting, F should include the \$6,320 in the lobbying expense reduction that it will enter on Section C, Line 11 of its compensated lobbyist activity report for services provided to C. F is not required to file an employer lobbyist activity report.
- P and A should each report \$-0- because they did not pay anyone to lobby.

Reporting Reimbursed Lobbying Expenses
[IC 2-7-3-3 (a)(2)(B), Section C, Line 2]

Hypothetical Fact Situation. Same fact situation as before, except C also agrees to reimburse F for lobbying related expenses that F incurs in lobbying for C. During the November 1, 2014 through April 30, 2015 reporting period, C pays F \$2,134 to reimburse F for the following expenses: a \$105 registration fee that F paid for C, \$1,000 for C's share of the costs of a function to which all members of the House Ways and Means Committee were invited, and \$1,029 for C's share of expenses incurred in entertaining individual legislators. With respect to the \$1,029 in other entertainment expenses, P paid \$829, A paid \$200, and P and A were then reimbursed by F. Given this fact situation how much should C report on Line 2, Section C of its employer lobbyist activity report for the reporting period, and how much should F report on that same line of its compensated lobbyist activity report for services provided to C? How much if any, should P and A report on that same line of their compensated lobbyist activity reports for services provided to F?

Suggested Answers from Staff. Based on IC 2-7-3-3 (a)(2)(B) and the instructions in the Lobbyists Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- C should report the \$2,134 in reimbursements that it paid to F on Section C, Line 2 of its employer lobbyist activity report.
- F should report the \$1,029 in reimbursements that it paid to P and A on Section C, Line 2 of its compensated lobbyist activity report for services provide to C. With respect to that activity report, F also should report the \$1,000 that it paid for the function to which all members of the House Ways and Means Committee were invited on Section C, Line 6, and F should report the \$105 registration fee that it paid for C on Section C, Line 8. To avoid double reporting, F should include all of those amounts in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- P and A should each report \$-0- on Section C, Line 2 of their compensated lobbyist activity reports because they did not reimburse anyone. On P's compensated lobbyist activity report for services provided to F, P will need to report the entertainment expenses of \$829 on the appropriate lines and sections of that report and A will need to do likewise for the \$200 of entertainment expenses. To avoid double reporting, P and A should each include the amounts so reported in the lobbying expense reduction that each will enter on Section C, Line 11 of their compensated lobbyist activity reports.

Reporting Reception Expenses
[IC 2-7-3-3 (a)(2)(c), Section C, Line 3]

Hypothetical Fact Situation. Same fact situation as before, except C decided to participate in a reception for members of the General Assembly who represent any portion of Utopia County. The total cost of the reception was \$400, and C's 1/5 share came to \$80. Forty individuals attended the reception, 25 of whom were legislative persons. In the first scenario, C makes a direct payment for its share of the reception expenses. In the second scenario, F pays C's share of the expenses, and C then reimburses F. The expenditure is not one that should be reported on Section C, Line 6 (all members function) or Section C, Line 7 (an expenditure that meets the threshold for reporting in Section E). Neither P nor A had anything to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-3-3 (a)(2)(C) and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$50 of its total share of \$80 as a lobbying expense on Section C, Line 3 $[(\$80/40) \times 25 = \$50]$. In the second scenario, C should include the \$50 in the total reimbursements that it paid to F that C reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should include the \$50 in the total amount that it reports on Section C, Line 3 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F should include the \$50 in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- P and A have nothing to report.

Reporting Entertainment Expenses
[IC 2-7-3-3 (a)(2)(D), Section C, Line 4]

Hypothetical Fact Situation. Same fact situation as before, except C decided to help host a luncheon for members of the General Assembly who helped author or sponsor legislation that C supports. The total cost of the luncheon was \$260 based on a predetermined fixed cost of \$20 per person, and C's 1/8 share came to \$32.50. Thirteen (13) persons attended the luncheon, ten (10) of whom were legislative persons. In the first scenario, C makes a direct payment for its share of the luncheon expenses. In the second scenario, P pays C's share of the expenses, F then reimburses P, and C then reimburses F. The expenditure is not one that should be reported on Section C, Line 6 (all members function) or Section C, Line 7 (an expenditure that meets one of the thresholds for reporting in Section E). A had nothing to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-3-3 (a)(2)(D) and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$25.00 of its total share of the \$32.50 as a lobbying expense in Section C, Line 4 [$(\$32.50/13) \times 10 = \25.00]. In the second scenario, C should include the \$25.00 in the total reimbursements paid to F that it reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should include the \$25.00 in the total reimbursements that it reports on Section C, Line 2 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F should include the \$25.00 in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- **Reporting by P.** For the first scenario, P has nothing to report. In the second scenario, P should include the \$25.00 in total entertainment expenses that P reports on Section C, Line 4 of P's compensated lobbyist activity report for services provided to F, and to avoid double reporting, P also should include the \$25.00 in the lobbying expense reduction that P enters on Section C, Line 11.
- A has nothing to report.

Reporting Expenses for Gifts

[IC 2-7-3-3 (a)(2)(E), Section C, Line 5]

Hypothetical Fact Situation. Same fact situation as before, except C decided to give a coffee mug with C's logo to each member of the General Assembly who attended the reception described in the hypothetical fact situation for Section C, Line 3. A total of 25 legislative persons received a coffee mug at the reception. In the first scenario, C pays for the mugs directly. In the second scenario, F orders and pays for the mugs, and C then reimburses F for the cost of the mugs. The mugs were purchased in bulk at a discounted price of \$5 per mug, which is the same price others would be required to pay to make such a bulk purchase. The expenditure is not one that should be reported on Section C, Line 6 (all members function) or Section C, Line 7 (an expenditure that meets one of the thresholds for reporting in Section E). Neither P nor A had anything to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-3-3 (a)(2)(E), FAO 98-05, and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$125 (25 x \$5) on Section C, Line 5. In the second scenario, C should include the \$125 in the total reimbursements that it paid to F and that it reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should include \$125 in the total amount that it reports on Section C, Line 5 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F should include the \$125 in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- P and A have nothing to report.

Reporting Expenses for an All Members Function

[IC 2-7-3-3.5 (c), Section C, Line 6]

Hypothetical Fact Situation. Same fact situation as before, except C decided to host a dinner for all members of the House Education Committee. Arrangements were made to have selected menu items at a fixed cost of \$60.00 per person, including food, beverage, tax, and tip for each person who attended the dinner. A total of thirteen (13) persons attended, ten (10) of whom were legislative persons. In the first scenario, C makes a direct payment to the restaurant for the total dinner expense of \$780. In the second scenario, P pays for the dinner, F then reimburses P, and C then reimburses F. A had nothing to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-1-7.2, IC 2-7-3-3.5(c) and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$600 (\$60 x 10) on Section C, Line 6. In the second scenario, C should include the \$600 in the total reimbursements paid to F that it reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should include the \$600 in the total reimbursements that it reports on Section C, Line 2 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F should include \$600 in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- **Reporting by P.** For the first scenario, P has nothing to report. In the second scenario, P should include the \$600 in total expenses for “all member functions” that P reports on Section C, Line 6 of P’s compensated lobbyist activity report for services provided to F, and to avoid double reporting, P should include \$600 in the lobbying expense reduction that P enters on Section C, Line 11.
- A has nothing to report.

Reporting Certain Entertainment & Gift Expenses > Thresholds

[IC 2-7-3-3 (a)(3), IC 2-7-3-3.5 (d), Section E and Section C, Line 7]

Hypothetical Fact Situation. Same fact situation as before, except C decided to help host a dinner for a member of the General Assembly, Myron Member, who was the primary author of legislation that C supported, and the member's spouse, Mildred Member. The total cost of Myron's dinner, including food, beverages, tax and tip, was \$120, and the total cost of Mildred's dinner was \$110. C's 1/3 share came to \$40 for Myron and \$36.67 for Mildred. In the first scenario, the cost of the dinners for both Myron and Mildred are charged to F's account at the Utopia Club, and C and two other employer lobbyists each reimburse F for a 1/3 share of those expenditures. In the second scenario, A pays for the dinners using his credit card, F then reimburses A, and C and the other two employer lobbyists each reimburse F for a 1/3 share of those expenditures. P had nothing to do with the expenditures. How should C, F, P, and A report these transactions?

Suggested Answers from Staff. Based on IC 2-7-3-3 (a)(3), IC 2-7-3-3.5(d) and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Sections E and C of the applicable activity reports are as follows:

- **Reporting by C.** For both the first and second scenarios, C should report its reimbursement to F in the total amount of \$76.67 on Section C, Line 2.
- **Reporting by F.** For the first scenario, F should include in Section E of its compensated lobbyist activity report for services provided to C an entry of \$40 for entertainment of Myron Member as a prorated share of a \$120 expenditure, and F should include an entry of \$36.67 for entertainment of Mildred Member as a prorated share of a \$110 expenditure. In addition, F should include the sum of both prorated amounts, or \$76.67, in the total amount it reports in Section C, Line 7. In the second scenario, F should report its reimbursement to A in the amount of \$76.67 on Section C, Line 2 of its compensated lobbyist activity report for services provided to C. To avoid double reporting, F should include the amount it reports in Section C for either scenario in the lobbying expense reduction that it will enter on Section C, Line 11. F is not required to file an employer lobbyist activity report.
- **Reporting by A.** For the first scenario, A has nothing to report. In the second scenario, A should include in Section E of A's compensated lobbyist activity report for services provided to F an entry of \$40 for entertainment of Myron Member as a prorated share of a \$120 expenditure, and A should include an entry of \$36.67 for entertainment of Mildred Member as a prorated share of a \$110 expenditure. In addition, A should include the sum of both prorated amounts, or \$76.67, in the total amount A reports on Section C, Line 7, and to avoid double reporting, A should include the amount A reports on Section C, Line 7 in the lobbying expense reduction that A enters on Section C, Line 11.
- P has nothing to report.

Reporting of Registration and Late Fees

[Section C, Line 8]

Hypothetical Fact Situation. In the first scenario, C makes a direct payment to IN.Gov, the Commission's agent for on-line filing, for its registration fee of \$200 for the 2014-2015 registration year. In the second scenario, F pays for C's registration fee, and C then reimburses F. P and A have nothing to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-3-3 and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$200 on Section C, Line 8. In the second scenario, C should include the \$200 in the total reimbursements paid to F that it reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should report the \$200 on Section C, Line 8 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F also should include the \$200 in the lobbying expense reduction that it will enter on Section C, Line 11 of that report. F is not required to file an employer lobbyist activity report.
- P and A have nothing to report.

Reporting of Other Lobbying Expenses

[Section C, Line 9]

Hypothetical Fact Situation. In first scenario, C makes a direct payment of \$2,500 to the Indianapolis Star to run an ad encouraging members of the General Assembly to vote against a bill that C opposes. In the second scenario, F pays for the ad, and C then reimburses F. P and A have nothing to do with the expenditure. How should C, F, P, and A report this transaction?

Suggested Answers from Staff. Based on IC 2-7-3-3 and the instructions in the Lobbyist Handbook, the amounts that should be reported by C, F, P, and A in Section C of the applicable activity reports are as follows:

- **Reporting by C.** For the first scenario, C should report \$2,500 on Section C, Line 9. In the second scenario, C should include the \$2,500 in the total reimbursements paid to F that it reports on Section C, Line 2.
- **Reporting by F.** For the first scenario, F has nothing to report. In the second scenario, F should report the \$2,500 on Section C, Line 9 of its compensated lobbyist activity report for services provided to C, and to avoid double reporting, F should include \$2,500 in the lobbying expense reduction that it will enter on Section C, Line 11 of that report. F is not required to file an employer lobbyist activity report.
- P and A have nothing to report.

Appendix 3

Gifts to Legislative Persons

Reporting Thresholds. Under IC 2-7-3-3.3, a lobbyist is required to file a written report not later than fifteen (15) business days after making a gift or gifts to a specific legislative person, who is not a relative of the lobbyist, if the value of the gift or gifts equals \$50 or more in one day or totals more than \$250 in a calendar year.

Relevant Definitions. The definitions of “relative”, “gift”, and “legislative person” set forth in IC 2-7-1-16.5, IC 2-7-1-4, and IC 2-7-1-8, respectively, are relevant to this reporting requirement.

Where to file. A lobbyist is required to file a copy of such a gift report with the Commission and the legislative person to whom the gift or gifts were made.

Information to be Reported. To comply with IC 2-7-3-3.3, each gift report must include the name of the lobbyist making the gift, a description of the gift, the amount of the gift, the date of the gift, and the name of the legislative person to whom the gift or gifts were made.

Gift Report Form. Gift reports are available through the Commission’s on-line filing system and website www.in.gov/ilrc.

Informed Prior Consent Requirement. Under IC 2-7-5-8, a lobbyist may not make a gift with a value of \$50 or more to a legislative person unless the lobbyist receives the consent of the legislative person before the gift is made. However, this prohibition does not apply if the legislative person is a relative of the lobbyist. In response to several requests, the Commission has developed a form that can be used to secure such a consent in writing from a legislative person and retained for your records. The form can be downloaded from the Commission’s website at www.in.gov/ilrc. This form is *not* to be filed with the Commission but should be kept with other lobbying records in case the lobbyist who made the gift is selected for audit under IC 2-7-4-6.

APPENDIX 4

PURCHASES FROM MEMBERS OF, OR CANDIDATES FOR ELECTION TO, THE GENERAL ASSEMBLY

Reporting Threshold. Under IC 2-7-3-7, a lobbyist is required to file a written report not later than fifteen (15) business days after paying more than \$100 to purchase goods or services from a member of the General Assembly, a candidate for election to the General Assembly, or such a member's or candidate's sole proprietorship or family business. However, a purchase report is not required if the purchase is made in the ordinary course of business and at a price that is available to the general public.

Relevant Definitions. The definitions of "candidate", "member", and "purchase" set forth in IC 2-7-1-1.3, IC 2-7-1-10.5, and IC 2-7-3-7(b), respectively, are relevant to this reporting requirement.

Where to File. A lobbyist is required to file a copy of such a purchase report with the Commission and the General Assembly member or candidate with respect to whom the purchase was made.

Information to be Reported. To comply with IC 2-7-3-7, each purchase report must include the name of the lobbyist making the purchase, a description of the purchase, the amount paid, the date of the purchase, and the name of the member or candidate with respect to whom the purchase was made.

Purchase Report Form. Purchase reports are available through the Commission's on-line filing system and website www.in.gov/ilrc.

APPENDIX 5

Audit Procedure

- A. Commission staff chooses lobbyists to audit in two ways:
1. By random selection. IC 2-7-4-6 provides that at least 5% of all registration statements and reports are to be audited randomly each year.
 2. To examine a discrepancy in a registration statement or report.
- B. Lobbyists selected for audit are notified by letter, using the address that appears on the registration form. Letters to employer lobbyists are addressed to the contact persons listed on the registration forms. Letters to compensated lobbyists are addressed to the registrants.
- C. Each lobbyist being audited must submit documentation that substantiates the data provided on the activity report and the registration form. The Commission expects lobbyists to provide complete information within the time period specified in the notification letter -- usually three to four weeks -- unless special circumstances warrant an extension of time.
- D. The following documentation can be used to substantiate information:
- cash register receipts-expense account statements
 - affidavits-canceled checks
 - charge slips- bank statements
 - invoices for billable hours-tax returns, IRS form 1099
 - payroll check stubs- time sheets
 - contracts-business diaries and calendars
 - other records kept during the regular course of business.
- E. Lobbyists being audited can mail or deliver supporting documentation to the Commission office. As necessary, staff will contact each lobbyist to request further documents and to schedule a meeting to discuss the audit. Any lobbyist being audited can schedule a meeting with Commission staff to ask questions and clarify information. All documents provided in support of an audit are kept confidential while in the possession of the Commission.
- F. Whether a lobbyist has submitted sufficient documentation to support the lobbyist's activity report is to be determined by the Commission staff.

APPENDIX 6

Electronic Filing Instructions

OVERVIEW. The Indiana Lobby Registration Commission and IN.Gov have worked together for many years to create a system which allows users to file various reports and registrations electronically thus saving time and money.

Unless a lobbyist has obtained a hardship exception under IC 2-7-2-1.5, lobbyist registration statements and activity reports are required to be filed using the Commission's electronic filing system beginning with the November 1, 2014 through October 31, 2015 registration/reporting year. The process for setting up an account with IN.gov and the Indiana Lobby Registration Commission to proceed with online filing is outlined below.

IN.GOV ACCOUNT SET UP PROCESS. Because the ILRC filings contain confidential information, these online services have enhanced security features such as requiring a lobbyist to enter a username and password prior to logging into the application. In order to obtain this login information, a lobbyist must have an account agreement signed with IN.gov. In addition to the agreement with IN.gov, a Memorandum of Understanding (MOU) containing the original signature of the lobbyist must be filed with the Commission.

The MOU can be found on our website <http://www.in.gov/ilrc>. IN.gov will assign you or your company a user name which must be included on the MOU along with the federal identification number of the organization or the social security number of the individual lobbyist listed on the form. When filling out the MOU please be certain to select the appropriate version of the MOU. The following three versions of the form are available to download:

- MOU- Preparing and Filing on your own behalf
- MOU-Third party preparing for a client
- MOU-In House preparer filing for lobbyists within the same firm or company

LOBBY REGISTRATION/ACTIVITY/GIFT REPORTING (FILING WITHOUT A PREPARER)

The process is simple for those lobbyists submitting their filings without the use of a preparer. The process is outlined below and involves the lobbyist logging onto the application, completing the form and pressing submit. This information is automatically transmitted to ILRC, without the normal delays of completing the filing on paper and mailing it in. Another time saving benefit is the reuse of information already stored in ILRC's system. Once you register as a lobbyist, the system "remembers" who you are and will pre-fill your contact information for each sequential filing. If your information has changed, you simply update the information as you file and continue with the report. The system then "remembers" your new information for future filings.

LOBBY REGISTRATION/ACTIVITY/GIFT REPORTING (FILING USING A PREPARER)

What if you normally have a third party prepare your filings for you? No problem! ILRC's system has been designed to accommodate the way you currently do business with the state. Your preparer can complete your information, send you an email for approval, and then submit it to ILRC with a simple click. It's that easy!

PRICING. IN.gov, in cooperation with ILRC, provides these services to you for a small convenience fee outlined below. The subscription to Indiana Interactive costs \$95 annually and has many benefits beyond being able to file lobbyist reports online. These benefits include, new hire reporting with the Department of Workforce Development and the Secretary of State's corporate filings.

There is nominal per filing for an activity or gift report when filing online. Please review the current charges per online filing.

Submission Type	Online Filing Fee	ILRC Statutory Fees
Compensated Registration	\$15.00	\$200 FP / \$100 NFP
Employer Registration	\$15.00	\$200 FP / \$100 NFP
Activity Report	\$5.00	No Fee
Gift Report	\$5.00	No Fee
Purchase Report	\$5.00	No Fee
Amendments	\$2.00	No Fee

APPENDIX 7

Policies for Administrative Resolution of Late Fees

To achieve the purpose for assessing fees on the late filing of registration statements and reports under IC 2-7-2-2, IC 2-7-3-2, IC 2-7-3-3.3, IC 2-7-3-7, and IC 2-7-3.5-6, the Commission has determined that the late fee may be administratively resolved, subject to the following limitations and conditions:

- (1) **Late Statement or Report-General Rule.** Except as otherwise provided in subdivision (4), these policies for administrative settlement of late fees apply only if a written appeal for waiver or reduction of the late fee is filed with the late registration statement or report. Thus, as a general rule, an appeal for the waiver or reduction of the late fee will not be accepted after the registration statement or report is filed.
- (2) **Late Statement or Report-Filing After Notification.** The Commission shall send a written notice to a party when it believes that the party has failed to file a required registration statement or report. If a party has been given such a written notice, then these policies for administrative settlement of late fees apply only if the party files both the late statement or report and the appeal within ten (10) business days after the date of the written notice.
- (3) **Error that Delays Processing-Timely Correction.** This subdivision (3) applies if a registration statement or report is filed on or before the due date, but there is a missing or incorrect signature, missing or incorrect required information, a mathematical error, or other issues that prevents staff from processing the document. If this subdivision is applicable, the Commission shall send a written notice informing the filer of the issue that has delayed processing of the registration statement or report. For the filer to correct an error or make an amendment to a registration statement or report that was timely filed, a written appeal for waiver or reduction of the late fee is **not** required and no late fee will be imposed, if the issue that delays processing of the registration statement or report is corrected within ten (10) business days after the date of the written notice. In such a case, the registration statement or report will be treated as having been filed on or before the due date.
- (4) **Error that Delays Processing-Not Corrected in a Timely Manner.** If an issue described in subdivision (3) is not corrected within the time period described in that subdivision, the registration statement or report will be considered late, and the late fee provided for under IC 2-7-2-2, IC 2-7-3-2, IC 2-7-3-3.3, IC 2-7-3-7, or IC 2-7-3.5-6, will accrue beginning with the day after the filing deadline at the rate of \$100 per day until it reaches the maximum of \$4,500. In such a case, the filer may appeal for the waiver or reduction of the late fee, and the late fee may be administratively resolved in the manner prescribed in these policies.
- (5) **Manner of Giving Notice.** The Commission shall use email or first class U.S. mail to give a notice referred to in these policies. However, if a failure to file a required registration statement or report, except a report required by IC 2-7-3.5, is not resolved under the procedures set forth in these policies, the Commission shall give notice of the failure to file in the manner prescribed in IC 2-7-6-2.
- (6) **Other Late Filings.** If the circumstances for the late filing of a registration statement or activity report are not addressed in these policies, then the late fee may not be resolved administratively. In such a case, only the Commission may determine whether a late fee waiver or reduction should be granted. To obtain such a waiver or reduction, the lobbyist must file a timely appeal of the late fee with the Commission.

<i>Description</i>	<i>Adjusted Fee</i>
Error that Delays Processing -Timely Correction. A registration statement or report is filed on or before the due date, but there is a missing or incorrect signature, missing or incorrect required information, a mathematical error, or other issue that prevents staff from processing the document.– <u><i>Appeal not Required</i></u>	The late fee will be \$-0- if the issue is resolved within 10 business days after the filer is notified in writing.
Late Filing–No Prior Late Filing. A registration statement or report is filed after the due date and the lobbyist has not been late in filing any other required statement or report during the last four years.– <u><i>Appeal Required</i></u>	Late fee will be limited to \$300 if the issue is resolved within 10 business days after the filer is notified in writing.
Late Filing–One Prior Late Filing. A registration statement or report is filed after the due date and the filer has not been late more than one other time in filing other required statements or reports during the last four years. – <u><i>Appeal Required</i></u>	Late fee will be limited to \$500 if the issue is resolved within 10 business days after the filer is notified in writing.
Late Filing – More than One but not More than Two Prior Late Filings. A registration statement or report is filed after the due date and the filer has been late more than one other time in filing other required statements or reports during the last four years. – <u><i>Appeal Required</i></u>	Late fee will be limited to \$1,000 if the issue is resolved within 10 business days after the filer is notified in writing.
Late Filing – More than Two Prior Late Filings. A registration statement or report is filed after the due date and the filer has been late more than two other times in filing other required statements or reports during the last four years. – <u><i>Appeal Required</i></u>	Late fee will be limited to \$2,500 if the issue is resolved within 10 business days after the filer is notified in writing.